

**REMARKS**

**Amendments to the claims**

The claims are amended to more precisely define the subject matter for which protection is sought and to avoid interpretation of the claim language in a manner that would equate the claimed invention with any prior art or would suggest that the claimed subject matter is obvious to a person skilled in the art in view of the teachings of the prior art.

More specifically, claim 1 has been amended to recite that a money deposit transaction involves a deposit or money receiving portion of the ongoing money deposit transaction and a portion during which at least a part of the deposited money may be returned to the operator of the apparatus (depositor). More specifically, claims 1 and 8 have been amended to recite that inserted bank notes are checked by a checking device during the deposit or money receiving portion of the deposit transaction to determine fitness for circulation of the bank notes, followed by transporting at least part of the bank notes that were recognized as not fit for circulation into a storage pocket that is not accessible by the operator during the deposit or money receiving portion of the money deposit transaction. This language is to make it clear that the deposited money is checked for fitness during the deposit portion of the deposit transaction when the money is being accepted by the apparatus or according to the method recited in the claims. Bank notes not fit for circulation are then transported into a storage pocket that is not accessible by the operator and subsequently the bank notes are transported from the not accessible storage pocket into a bank note cassette that likewise is not accessible by the operator.

Support for the amendments to the claims is found particularly in paragraph 0013, 0014 and 0017.

**Amendments to the specification**

The specification has been amended at paragraphs 0013 and 0014 to reflect the amended claim language.

**Claim Rejection – 35 USC section 102**

Claims 1 and 8 recite that the bank notes inserted into the apparatus are checked for fitness during the deposit or money receiving portion of the deposit transaction and are then transported into a pocket that is not accessible to the operator. Subsequently, after the conclusion of the money deposit transaction, the bank notes unfit for circulation are transported from the non-accessible pocket into a bank note cassette that likewise is not accessible by the operator.

Watanabe does not check fitness of bank notes during the deposit portion of a money deposit transaction. As described in column 7, lines 61-63; "Deposited notes P are subjected only to the denomination detection and authenticity detection." It is only during the money dispensing portion of a transaction that the bank notes previously deposited are checked for fitness before being dispensed to an operator as described in the paragraph spanning columns 11 and 12 of Watanabe. Specifically, unfit bank notes enroute to the output bin 8 during the dispensing operation are checked for fitness and, if unfit, are transported to the unfit bin or pocket 41(see fig 2A, 2B). Thus, Watanabe never checks for fitness during a money receiving portion of a transaction but only checks for fitness when bank notes are to be returned to the operator, a different arrangement than what is recited in claims 1 and 8. Moreover, no procedure or apparatus is observed in Watanabe whereby unfit bank notes are first deposited in a storage pocket not accessible by the operator and subsequently, upon completion of a money deposit transaction, transported to a not accessible bank note cassette in the apparatus.

Accordingly, the rejection of claims 1 and 8, as well as claims 2-6 and 9-12 dependent from claims 1 and 8 is not appropriate because Watanabe is missing significant elements of claims 1 and 8. Withdrawal of the claims of 1-6 and 8-12

under 35 USC 102 (b) as anticipated by Watanabe is therefore appropriate and the same is respectfully requested.

**Claim rejection 35 USC section 103**

Applicant submits that the rejection of the claims 1-13 under 35 USC 103 (a) in view of the teachings of the basic reference Matzig(WO 02/50784 ) in view of Watanabe is not appropriate for reason given previously with regard to the rejections of the claims under 35 USC section 102. Matzig, discuss hereinbelow with reference to its corresponding US published application No. US 2004/0064413 A1, checks incoming bank notes inserted into input compartment 3 at the checking device 10, where the bank notes are checked for authenticity and fitness, and then transports the bank notes to accessible storage units ( storage pockets) 4 and 5. The unfit notes (see paragraph 0039, line 1-5) are transported to the storage unit 4, but there is no other disclosure contained in Matzig as to the ultimate destination of the unfit bank notes.

There is a discussion in paragraph 0043 whereby non-identifiable bank notes in compartment 4 may be inserted once more by the operator into the input compartment b. There is no disclosure or teaching contained in this document that unfit bank notes checked during a money receiving portion of a transaction may be transported first to a not accessible storage pocket and subsequently transported into a not accessible bank note cassette within the apparatus. The only hint as to the disposition of unfit bank notes provided in Matzig is that which is described in paragraph 0039, lines 1-5, whereby the unfit bank notes are transported from the checking device 10 to the accessible reject bin 4.

Watanabe, as previously discussed, never checks fitness of incoming bank notes and there is no subsequent disposition of the unfit bank notes apart from a fitness check that is conducted only upon dispensing of bank notes previously deposited in the apparatus.

Thus, to the extent that the mutual disclosures of the Matzig and Watanabe would suggest to a person skilled in the art that the teachings of one apparatus

could be implemented in the other apparatus, such hypothesis being highly open to speculation and hindsight, the end result would be that the Matzig basic apparatus might be modified to avoid checking the incoming bank notes for fitness and delaying such check until there is a dispensing of bank notes. Of course, Matzig has no apparatus available to check unfit and other bank notes during a money dispensing operation and it is not understood by applicant how Matzing could be modified to achieve the functionality of the invention recited in claims 1-13, or to result in either a method or apparatus recited in the claims.

It will be clear from careful reading of claims 1-13 that Matzig would need to be drastically modified to achieve the method or to correspond with the apparatus recited in the claims and it cannot be established, in applicant's view, that Matzig could be modified in accordance with the teaching of Watanabe to arrive at the recited method and apparatus of the instant claims without invention.

Matzig would need to be modified so that unfit bills were transported to a non-accessible pocket temporarily and then transported to a non-accessible cassette in the apparatus, following a check for fitness during a money receiving portion of a transaction. Clearly, Matzig contains no such teaching, and Watanabe fails to provide any teaching of checking bank notes for fitness during a money receiving portion of a transaction. Indeed, Watanabe only checks for fitness of the bills when all bills are dispensed from the money receiving pockets of the apparatus. Watanabe requires a transport system that detects bills that are unfit for circulation during a money dispensing operation and appropriate control means separating unfit bills from those bills that are authentic and fit for circulation, with the ultimate destination of the unfit bills being a separate pocket (41) within the apparatus.

This involves implementing a different kind of bank note checking, transport and storage arrangement that simply is not applicable to the relatively simple system of Matzig. Indeed, the attempt to modify Matzig to provide the additional checking, transport and storage of unfit notes as the examiner sees in Watanabe appears to be an extreme stretch of logic and a classic case of the examiner exercising hindsight in view of applicants own disclosure.

Accordingly, applicant submits that a *prima facie* case of obviousness cannot be established with regard to the main independent claims 1 and 8 of the instant application on the basis of modifying Matzig in view of Watanabe, as suggested by the examiner, as such modification defies logic and would require drastic modification of Matzig that would not be readily apparent to the person skilled in the art.

As the examiner is aware, in accordance with *KSR*, "there must be some articulated reasoning with some rational underpinning to support the legal conclusions of obviousness". While the examiner's analysis need not seek out precise teachings directed to the specific subject matter of the rejected claims, some logical, sensible explanation of the examiner's rational for combining the teachings of two separate patent documents must be provided to applicant without benefit of applicant's own teachings. The operative question is whether the improvement claimed by applicant is more than a predictable use of prior art elements according to their established functions (*KSR*). In this case, the examiner suggests that Matzig could be modified to include the retention of unfit bills, in accordance with the examiner's interpretation of the teachings of Watanabe, in order to accept all authentic notes while preventing unfit bills from continued circulation.

The examiner fails to appreciate that Watanabe does not distinguish between unfit bills and authentic notes while the bills are being received into the machine. Watanabe only checks bank notes for fitness during a money dispensing operation, after the bills have been placed in a temporary holding pocket along with authentic notes .The unfit bills are never moved into a non-accessible cassette but are only moved to another reject pocket in the machine (41) during a money dispensing operation.

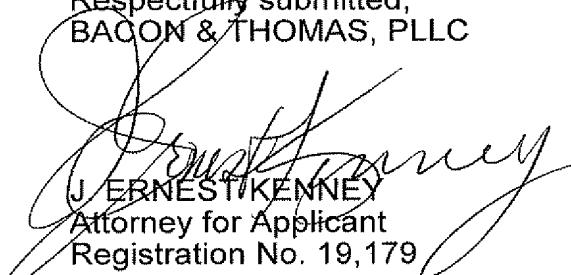
Thus, applicant cannot comprehend the logic of the examiner in suggesting that Matzig could be modified in the manner expressed by the examiner by a person of ordinary skill in the art, given the drastic nature of re-designing the Matzig apparatus to accommodate all of the additional checking, transport and storage bins required by the Watanabe system. Such drastic re-design would never constitute an "obvious" expedient to solve a readily apparent problem that would be observed by

the skilled person in a manner utilizing readily apparent and obvious solutions. Even exercise of common sense by the hypothetical skilled person would lead one to conclude that the skilled person would have no reason or motivation to modify Matzig in a drastic manner involving a substantial and complete re-design of the bank note processing system disclosed in the Matzig application. The entire transport system of Matzig would need to be re-designed along with all of the computer and other control systems associated with the transport and processing system in order to check bank notes for fitness during a money discharge portion of a transaction and to place unfit notes first in a temporary holding bin not accessible to the operator and then subsequently in a non-accessible pocket in the apparatus.

In short, applicant submits that the conclusion is inescapable that the examiner's attempt to modify Matzig in the manner suggested in the action fails to establish a *prima facie* case of obviousness and, moreover, clearly reflects the exercise of prohibited hindsight in rejecting the claims of this application.

Withdrawal of the rejection of claims 1-13 under 35 USC section 103 therefore is appropriate and the same is respectfully requested.

Respectfully submitted,  
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